

29 MAR 1965

**MEMORANDUM FOR: Director of Security**

**SUBJECT** : Pending Legislation, H. R. 4293  
H. R. 5125

1. The Agency security interest in these identical two Bills pending in the Congress is indirect. No recommendation is made for any action concerning them.

2. The Bills would amend the Subversive Activities Control Act of 1950 by authorizing the President, whenever he declares an emergency, to establish rules and regulations governing access of individuals to defense facilities.

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3. [REDACTED] presently assigned at Headquarters on studies of the Agency's Contract Security Program, points out that the classified industrial contract program of the Department of Defense at first was based only upon its rather general authority in the National Security Act of 1947, by which that Department was created. But in the Greene Case in 1959, the U. S. Supreme Court declared that it could not read into the broad powers under that Act any authorization for such a specific industrial security program. Thereupon, in February 1960 Executive Order 10965 was issued on Safeguarding Classified Information Within Industry. It is the latter which is the basis for the present Defense industrial security program. These Bills apparently are intended to give Defense an emergency statutory basis covering what it now has by the less authoritative Executive Order.

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4. The classified contract security program of this Agency, [REDACTED] points out, has a different basis. The same 1947 Act created CIA, and made the DCI responsible for protecting intelligence sources and methods; under this latter, matters relating to sensitive contract procurement are classified. Flowing from this, the Agency's

classified contract security program is framed upon the provisions of Executive Order 10501, which prescribes the general rules for the protection of classified information.

5. Therefore, this pending legislation would not directly affect the contract security program of this Agency. But since the Agency's program is similar to, and actually fairly closely related to, that of the Department of Defense, we will follow the progress of these Bills with considerable interest.

SIGNED

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Deputy Director of Security (PPS)

Attachments:

H. R. 4293  
H. R. 5125

Distribution:

Orig & 1 - Adse w/atts.  
1 - DD(PPS)  
1 - SPA(PPS)  
1 - Chrono  
1 - [REDACTED]

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OS/SPA(PPS):JFMcl:jmj (25 Mar 65)